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Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 ISO-00 L-03 FRB-03 OMB-01

TAR-01 SP-02 AGR-05 AID-05 CIAE-00 COME-00 INR-07

IO-10 LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00

CIEP-01 CEA-01 EA-06 NEA-10 /098 W
---------- 030654
R 030917Z JUN 75
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC 7733
AMEMBASSY ABIDJAN
AMEMBASSY LOME
INFO AMEMBASSY BRASILIA
AMEMBASSY LAGOS
AMEMBASSY LONDON
AMEMBASSY YAOUNDE

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E. O. 11652: N/A
TAGS: EPAP ETRD US GH
SUBJ: GHANAIAN APPROACH ON US PARTICIPATION IN INTL. COCOA AGREEMENT RENEGOTIATION

REFS: (A) ACCRA 1878 (B) ACCRA 3007, PARAS 2D AND 3E (C) ACCRA 3418, PARA 5. (D) STATE 127098 (ALL NOTAL)

1. SUMMARY. GOG AGAIN URGES US PARTICIPATION IN INTERNATIONAL COCOA AGREEMENT (ICA) RENEGOTIATION AND US ACCESSION TO RENEGOTIATED ICA. GOG REQUESTS USG VIEWS ON RENEGOTIATION. GOG RAISES GHANAIAN PRODUCER PRICE FOR COCOA 6-2/3 PERCENT. END SUMMARY.

2. MFA SUPERVISING DIRECTOR FOR ECONOMIC RELATIONS (ASMAH) MAY 30 REITERATED TO E/C COUNSELOR GOG DESIRE FOR USG TO PARTICIPATE ACTIVELY IN RENEGOTIATION OF ICA AND TO SIGN
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RENEGOTIATED AGREEMENT. COUNSELOR REMINDED ASMAH

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THAT ASSISTANT SECRETARY DAVIS HAD SAID USG WOULD
PARTICIPATE IN RENEGOTIATIONS IN GOOD FAITH (REF B).
ASMAH ASKED FOR INDICATION OF USG VIEWS REGARDING
RENEGOTIATION, AND COUNSELOR AGREED TO ASK FOR INSTRUCTIONS.

3. CHARGE, ACCOMPANIED BY E/C COUNSELOR, WAS CALLED TO
MFA JUNE 2 AND WAS HANDED AIDE MEMOIRE BY ASMAH, READING
IN PART (NO UNNECESSARY WORDS): "...IN MARCH 1975
INTERNATIONAL COCOA COUNCIL UNANIMOUSLY DECIDED 1972 ICA
BE RENEGOTIATED TO REFLECT MUCH MORE REALISTICALLY PRESENT
WORLD PRICE OF COCOA IN LIGHT OF PRESENT GALLOPING GLOBAL
INFLATION...IT BEING PROPOSED BY COCOA COUNCIL THAT
MINIMUM AND MAXIMUM PRICES OF COCOA PER POUND UNDER
CURRENT ICA OF US 29.5 AND 38.5 CENTS RESPECTIVELY SHOULD
BE REVIEWED (SIC) UPWARDS... COCOA COUNCIL HAS ALSO
DECIDED VALIDITY OF NEXT AGREEMENT SHOULD BE FOR PERIOD
OF 5 YEARS...GOG HAS NOTED IT HAS NOT BEEN POSSIBLE FOR
USG, A SIGNIFICANT CONSUMER, TO BECOME PARTY TO 1972
COCOA AGREEMENT. NEVERTHELESS, GOG HOPES USG, FURTHER TO
THE ASSURANCES OF PARTICIPATION OFFERED BY MR. DAVIS,
US UNDER-SECRETARY (SIC) FOR AFRICAN AFFAIRS DURING HIS
RECENT VISIT TO ACCRA, WILL NOT MERELY PARTICIPATE IN
FORTHCOMING RE-NEGOTIATION MEETING BUT ALSO BECOME A
PARTY TO ANY AGREEMENT WHICH MIGHT BE CONCLUDED."
AIDE MEMOIRE ALSO EXPOUNDS IMPORTANCE OF COCOA TO GHANA.

4. CHARGE SAID INTL. COCOA ORGANIZATION BEING OFFICIALLY
INFORMED OF USG WILLINGNESS TO PARTICIPATE IN RENEGOTIATION
(REF D) AND THAT IT TOO EARLY TO PREDICT WHETHER USG WILL
JOIN BUT WILL NEGOTIATE IN GOOD FAITH. HE WAS AGAIN ASKED
FOR USG VIEWS. CHARGE SAID WE WOULD PASS ANY INFORMATION
WE RECEIVED, AND ALSO WOULD BE PLEASED TO RECEIVE GOG VIEWS.

5. AT INTERNATIONAL COCOA DAY CELEBRATION MAY 31 AT
KOFORIDUA COMMISSIONER (EQUIVALENT TO MINISTER) FOR COCOA
AFFAIRS (COL BERNASKO) CALLED IN SPEECH ONCE AGAIN FOR
USG TO ADHERE TO ICA. (INTERESTINGLY, HE SAID THAT ONLY
IN TWI LANGUAGE BUT NOT WHEN HE READ ENGLISH VERSION.)

6. ALSO AT KOFORIDUA EVENT, HEAD OF STATE ANNOUNCED
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6-2/3 PERCENT RISE IN PRODUCER PRICE OF COCOA, FROM 15
TO 16 CEDIS PER HEADLOAD (60 LBS.) EQUIVALENT AT OFFICIAL
RATE OF EXCHANGE OF RISE FROM US 21.74 TO 23.19
CENTS/LB. ALTHOUGH HERALDED CORRECTLY AS 100 PERCENT
RISE IN LAST THREE YEARS, SINCE NRC TOOK POWER, THIS
STRIKES US (AND UNDOUBTEDLY COCOA FARMERS, WHO RESPONDED
TO ANNOUNCEMENT WITH TEPID APPLAUSE) AS VERY LITTLE IN
LIGHT OF ANNUAL INFLATION RATE OF ABOUT 25 PERCENT. IN

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OUR VIEW, THIS INSUFFICIENT TO GIVE NECESSARY INCENTIVES
TO COCOA FARMERS TO IMPROVE PRODUCTIVITY, AND TO PREVENT
CONTINUED SMUGGLING OF COCOA ACROSS TOGO AND IVORY COAST
BORDERS--WHERE NOT ONLY ARE PRICES CONSIDERABLY HIGHER
BUT THEY ARE PAID IN HARD CURRENCY.

7. ACTION REQUESTED: (A) DEPARTMENT: PROVIDE USG VIEWS
ON RENEGOTIATION SPECIFICS FOR PASSING TO GOG WHEN AVAILABLE.
(B) ABIDJAN AND LOME: PLEASE NOTIFY US WHAT LATEST PRODUCER
COCOA PRICES ARE IN YOUR COUNTRIES.
BLACK

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